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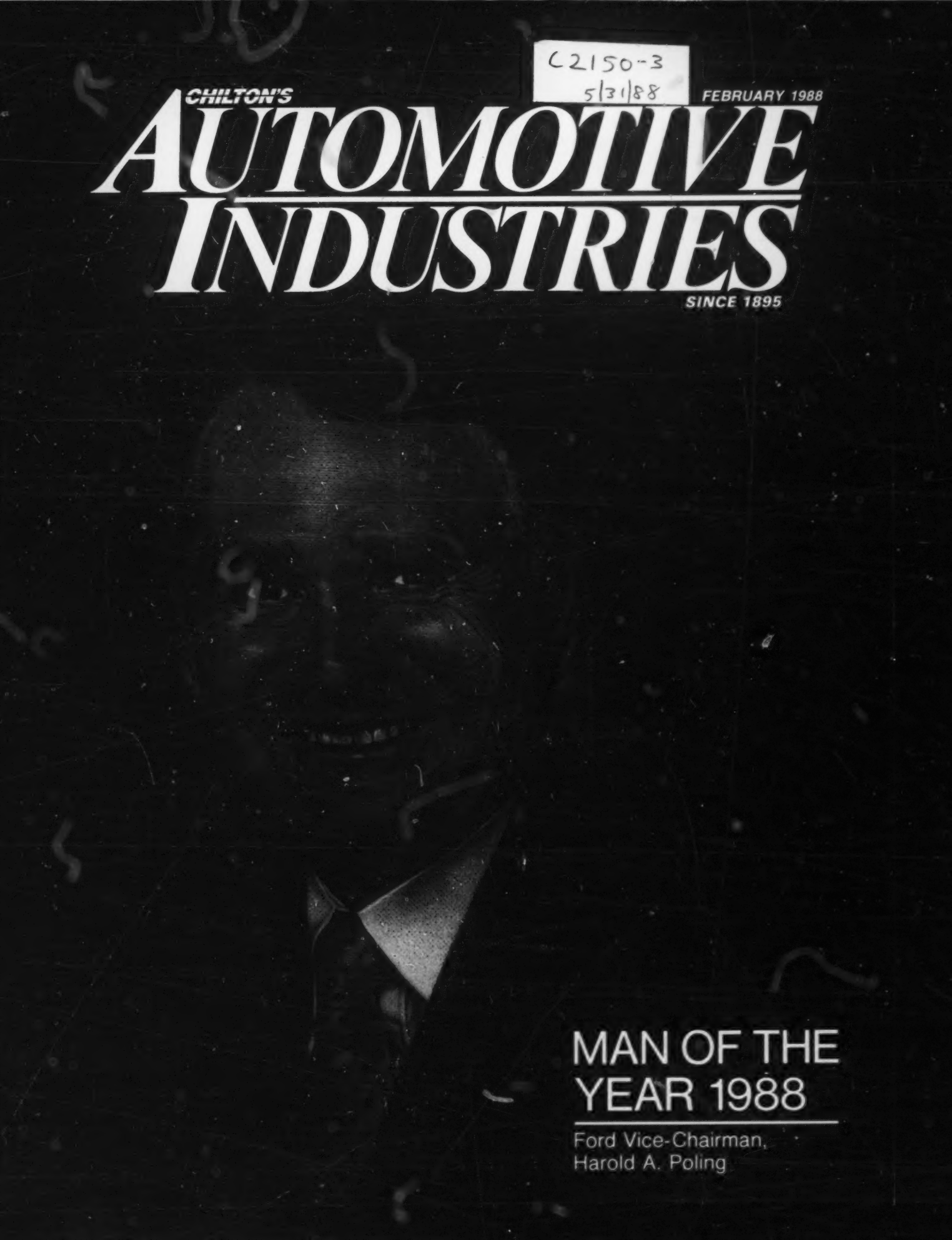
CHILTON'S
AUTOMOTIVE INDUSTRIES
SINCE 1895

FEBRUARY 1988



MAN OF THE YEAR 1988

Ford Vice-Chairman,
Harold A. Poling

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Cover. Ford vice-chairman Harold A. "Red" Poling, 1988 Man of the Year. Painting by Randy Hamblin

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AUTOMAKER QUARTERLY REPORT

1987's unlikely winners in sales and market share.

by Dr. Thomas O'Grady

1987 was the first year of major turmoil in the automotive industry, but is still only a mild prelude to the next three years. Major losers of sales and share during the year included GM, Chrysler, Audi, Porsche and Jaguar.

But Ford, Hyundai, Honda and Toyota won big in '87. Most of the European marques lost sales but managed to gain slightly in market share as the entire industry fell by 10.5%

Small manufacturers Isuzu, Mitsubishi and Yugo actually grew. Yugo held on to its low price for much of 1987 and saw its sales climb by 33%. For 1988, Yugo will continue to be worth watching as base price increases to $4199, and a one-year warranty on wearable parts is added.

With its "Joe Isuzu" ads, Isuzu developed name recognition which translates into sales. In 1988, Isuzu must broaden and focus its image before US production starts in late 1989.

Dr. Thomas O'Grady heads Integrated Automotive Resources, Inc. in Wayne, Pennsylvania.

Mitsubishi's lineup will be tested in '88, even with the '89 Galant and Mirage due to debut. A significant sales push will be needed before Diamond Star adds 120,000 units.

Toyota's '87 products were in fairly short supply, but they will need to further advance their image to guarantee success for the US-built Camry which is planned for as much as 240,000 units. The Kentucky plant will free up volume for the Lexus line in 1989.

In 1987, Ford cashed in on its growing reputation for quality, taking market share away from GM. By the end of 1988, however, GM will strengthen considerably, with new cars such as Reatta, the GM10s, extended E and K luxury cars, and modified A-cars.

BMW and Audi territory is being invaded by Honda's Acura cars, although BMW is still strong in the upper end of the luxury segment. As Acura establishes itself, it will become harder for Audi to win back lost share.

1988 forecast: 10.0 million cars. AI

WHAT'S HOT! Domestic Auto Sales Calendar Year 1987

Carline	'87	'86	% Change
Escort	392,360	402,181	(2.44%)
Taurus	354,971	263,450	34.74%
Accord*	334,876	224,200	49.36%
Cavalier	307,028	357,112	(14.02%)
Celebrity	306,480	408,946	(25.06%)
Excel	263,620	168,882	56.10%
Ciera	244,607	329,930	(25.86%)
Sentra*	235,945	217,496	8.48%
Tempo	219,296	265,382	7.37%
Corsica/ Beretta	214,074	--	--

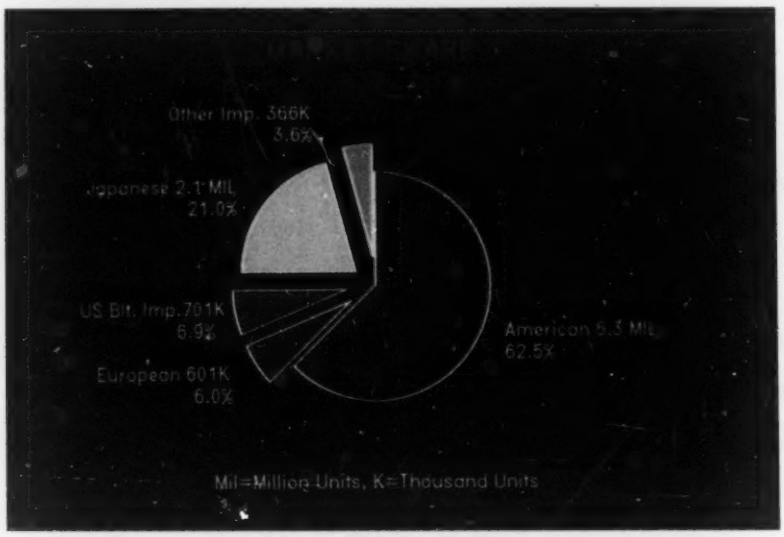
*—Includes imports
( )—Negative value

US Passenger Car Market Shares, 1987*

Manufacturer	Sales	% Total
General Motors	3,728,310	36.59%
Ford	2,060,834	20.23%
Chrysler	1,094,390	10.74%
Honda/Acura	738,306	7.25%
Toyota	620,133	6.09%
Nissan	524,785	5.15%
Hyundai	263,610	2.59%
VW	222,638	2.19%
Mazda	207,337	2.03%
Subaru	175,864	1.73%

*Calendar year

(Continued p.76)



Passenger Car Market Share By Geographic Base

Calendar Year 1987

Manufacturers	Total Sales	Total Market Share
American	6,376,561	62.58%
Japanese	2,143,218	21.04%
European	601,727	5.91%
US Built Imports (VWUS, Honda,NUMMI, Nissan	701,082	6.88%
Other Imports	366,100	3.59%
Total	**10,188,688**	**100.00%**

1987 DOMESTIC LIGHT TRUCK PRODUCTION

COMPANY	FULL-SIZE TRUCKS	COMPACT TRUCKS	FULL-SIZE VANS	COMPACT VANS	FULL-SIZE SPORTS UTILITY	COMPACT SPORTS UTILITY	TOTAL 1986	TOTAL 1987
FORD	607,798	317,938	237,433	187,919	57,004	135,770	1,433,317	1,543,862
CHEVROLET	535,055*	208,554	158,225	163,508	34,431	170,664	1,244,654	1,082,737
CHRYSLER	97,118	124,609	102,144	380,792	21,796	--	576,136	726,459
GMC	177,957*	57,349	52,609	41,302	9,499	51,614	371,603	390,330
JEEP	1,252	43,676	--	--	14,743	189,869	NA	249,540
NISSAN	--	102,637	--	--	--	--	108,048	102,637

*Includes Suburban and P-model